

ASSEMBLY BILL

No. 2358

Introduced by Assembly Members Bigelow and Wood

February 18, 2016

An act to amend Section 14838.5 of the Government Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2358, as introduced, Bigelow. Public contracts: small business contracts.

The Small Business Procurement and Contract Act permits a state agency to award a contract for goods, services, or information technology with an estimated value of between \$5,000 and \$250,000 to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, without complying with specified competitive bidding requirements.

This bill would increase the upper limit of the value of those contracts to \$500,000.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14838.5 of the Government Code is
- 2 amended to read:
- 3 14838.5. (a) Notwithstanding the advertising, bidding, and
- 4 protest provisions of Chapter 6 (commencing with Section 14825)
- 5 of this part and Chapter 2 (commencing with Section 10290) and
- 6 Chapter 3 (commencing with Section 12100) of Part 2 of Division

1 2 of the Public Contract Code, a state agency may award a contract
2 for the acquisition of goods, services, or information technology
3 that has an estimated value of greater than five thousand dollars
4 (\$5,000), but less than ~~two hundred fifty~~ *five hundred* thousand
5 dollars ~~(\$250,000)~~, *(\$500,000)*, to a certified small business,
6 including a microbusiness, or to a disabled veteran business
7 enterprise, as long as the agency obtains price quotations from two
8 or more certified small businesses, including microbusinesses, or
9 from two or more disabled veterans business enterprises.

10 (b) In carrying out subdivision (a), a state agency shall consider
11 a responsive offer timely received from a responsible certified
12 small business, including a microbusiness, or from a disabled
13 veteran business enterprise.

14 (c) If the estimated cost to the state is less than five thousand
15 dollars (\$5,000) for the acquisition of goods, services, or
16 information technology, or a greater amount as administratively
17 established by the director, a state agency shall obtain at least two
18 price quotations from responsible suppliers whenever there is
19 reason to believe a response from a single source is not a fair and
20 reasonable price.